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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

POWER INTEGRATIONS, INC.,
Plaintiff,
v.
CHAN-WOONG PARK,
Defendant.

Case No. 16-cv-02366-BLF (VKD)
Case No. 16-cv-02367-BLF (VKD)

**ORDER RE PROTECTIVE ORDER
DISPUTE**

Re: Dkt. No. 62

Plaintiff Power Integrations, Inc. (“PI”) and defendant Chan-Woong Park disagree regarding the terms of the protective order that should be entered in two related actions: *Power Integrations, Inc. v. Park*, Case. No. 16-cv-02366-BLF and *Power Integrations, Inc. v. Park*, Case No. 16-cv-02367-BLF. The parties filed a joint discovery letter describing their points of disagreement and attaching their respective proposed protective orders.

The Court finds this dispute suitable for resolution without a hearing.

I. BACKGROUND

In these related cases, PI alleges that Mr. Park’s employment agreement with PI required him to assign to the company all inventions he developed during and after his employment. PI claims that during and after his employment, Mr. Park used PI’s proprietary information to file and obtain patents for himself in the United States and in South Korea and then used those patents and technology to interfere with PI’s relationships with its customers. *See* Dkt. Nos. 61, 62.¹

Citing Mr. Park’s past alleged misuse of PI’s proprietary information, PI advocates for a two-tier protective order based on this District’s Model Protective Order for Litigation Involving

¹ Unless otherwise specified, all citations to the docket refer to Case No. 16-cv-02366-BLF.

1 Patents, Highly Sensitive Confidential Information and/or Trade Secrets, with additional proposed
2 restrictions. Mr. Park responds that, while PI's actions against him concern alleged misuse of
3 proprietary information, the discovery in these cases is unlikely to encompass sensitive
4 confidential information, and for that reason, a protective order based on this District's Model
5 Protective Order for Standard Litigation is sufficient. Each party has filed its respective, proposed
6 form of protective with the Court.

7 The Court addresses each point of disagreement below. The Court will enter a separate
8 protective order that reflects its resolution of each of the disputed points.

9 **II. PROTECTIVE ORDER PROVISIONS**

10 **A. Restrictions on Mr. Park's Access to PI's Confidential Information**

11 Both the Model Protective Order for Standard Litigation ("Standard Order") and the Model
12 Protective Order for Litigation Involving Patents, Highly Sensitive Confidential Information
13 and/or Trade Secrets ("Patent Order") contain provisions that protect "confidential" information
14 from public disclosure or use. The key difference between the Standard Order and the Patent
15 Order is that the latter also includes a provision that protects "highly confidential–attorneys' eyes
16 only" information from disclosure to the receiving party itself, and restricts access to such
17 information to the receiving party's outside counsel (as well as other specified entities). PI argues
18 that such a provision is necessary and desirable because it expects to produce "proprietary
19 information" in these cases that it does not wish Mr. Park to see. Mr. Park is skeptical that PI will
20 produce any information that qualifies for such protection, and argues further that he will need to
21 have access to the information PI does produce in order to prepare his defenses.

22 The parties are currently engaged in fact discovery with expert discovery to follow. It is
23 not possible for the Court to know what the full scope of fact and expert discovery may be. As it
24 appears there is at least a possibility that both parties may seek and produce information that meets
25 the criteria for "highly confidential–attorneys' eyes only" information, the protective order should
26 include provisions that address such information. Accordingly, the Patent Order, with its two-tier
27 confidentiality protections, will serve as the basis for the protective order in these cases.

28 The parties are advised that the "highly confidential–attorneys' eyes only" designation is

1 reserved for “extremely sensitive” confidential information, the disclosure of which to another
2 party or non-party, “would create a substantial risk of serious harm that could not be avoided by
3 less restrictive means.” *See Model Patent Order, sec. 2.7.* Blanket designations and overly
4 restrictive designations are improper and must be avoided. A party’s failure to comply with the
5 Court’s orders, Civil Local Rules, and other applicable legal requirements regarding the
6 designation of material as “confidential” or “highly confidential–attorneys’ eyes only” may
7 subject that party to sanctions. *See Humphreys v. Regents of the University of California, Case*
8 No. C-04-03808 SI (EDL), 2006 WL 3020902 (N.D. Cal. Oct. 23, 2006); Model Patent Order, sec.
9 5.1.

10 In addition, if Mr. Park believes that PI’s designation of particular information or particular
11 categories of information as “highly confidential–attorneys’ eyes only” prevents him from
12 adequately preparing his defenses, that concern may be brought to the Court’s attention by means
13 of the discovery dispute resolution procedure set forth in the undersigned’s Standing Order for
14 Civil Cases.

15 **B. Prosecution Bar**

16 PI’s proposed protective order includes a “prosecution bar” that prohibits anyone who
17 receives “confidential” or “highly confidential–attorneys’ eyes only” information from being
18 involved in “the prosecution of patents or patent applications relating to the field of power
19 conversion and management” until two years after final termination of the actions. *See Model*
20 *Patent Order, sec. 8.* PI says this bar is necessary protection against Mr. Park’s activities. Mr.
21 Park contends that such a broad prosecution bar is unnecessary, given the nature of the
22 information likely to be produced in this case, and that it will interfere with his ability to retain
23 qualified expert witnesses.

24 The prosecution bar proposed by PI is exceptionally broad. While such a bar might be
25 appropriate in some cases, it is not justified here, particularly given the protection the “highly
26 confidential–attorneys’ eyes only” designation affords PI against access by Mr. Park to its
27 sensitive technical information. Mr. Park’s concerns with respect to the impact of a prosecution
28 bar on his ability to retain expert witnesses are also well-taken.

1 The protective order will not include a prosecution bar. However, nothing in this order or
2 in the protective order entered separately precludes a party from objecting on a case-by-case basis
3 to a proposed expert witness whose prosecution-related activities pose an undue risk of misuse of
4 a party's confidential technical information.

5 **C. Export Control**

6 The Patent Order includes a model provision that references existing laws and regulations
7 governing the export of technical data outside the United States. It imposes on a producing party
8 the obligation to identify technical information subject to such export controls. PI says the
9 protective order should include such a provision; Mr. Park contends that it is highly unlikely that
10 export controls would apply to any material produced in these cases and the provision is therefore
11 unnecessary.

12 As with the issue of confidentiality designations, it is not possible for the Court to know
13 whether any material produced in discovery will be subject to export controls. It is at least
14 possible that qualifying technical information will be produced, and one of the parties who may
15 receive such production is outside of the United States. Accordingly, the Court agrees with PI that
16 the protective order should include a provision placing the burden of identifying qualifying
17 technical information on the producing party.

18 **D. Expert Witness Disclosure Procedure**

19 PI asks for a modification to section 7.4 of the Patent Order that would require each party
20 to advise the other in writing if it wishes to disclose information designated "confidential" under
21 the protective order to an expert witness. Section 7.4 presently requires such advisement only
22 with respect to the proposed disclosure of "highly confidential–attorneys' eyes only" information
23 to an expert witness. Mr. Park does not specifically address this proposed modification. The
24 Court will adopt PI's proposed modification.

25 **E. Expert Witness Criteria**

26 The Patent Order includes a provision that defines an "Expert" as:

27 a person with specialized knowledge or experience in a matter
28 pertinent to the litigation who (1) has been retained by a Party or its
 counsel to serve as an expert witness or as a consultant in this

1 action, (2) is not a past or current employee of a Party or of a Party's
2 competitor, and (3) at the time of retention, is not anticipated to
3 become an employee of a Party or of a Party's competitor.

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8 See Model Patent Order, sec. 2.6. Mr. Park objects that the second and third clauses of this
9 provision unfairly limit his ability to retain experts, as many of them will be either past or current
10 employees of PI or a competitor of PI. He proposes that these limiting clauses should encompass
11 only an expert's current or anticipated employment by a party's competitor, so that the provision
12 reads as follows:

13 a person with specialized knowledge or experience in a matter
14 pertinent to the litigation who (1) has been retained by a Party or its
15 counsel to serve as an expert witness or as a consultant in this
16 action, (2) is not a current employee of a Party's competitor, and (3)
17 at the time of retention, is not anticipated to become an employee of
18 a Party's competitor.

19 PI does not specifically address Mr. Park's proposed modification.

20 The Court accepts Mr. Park's representation (which PI does not dispute) that many
21 potential experts will be current, past, or future employees of PI or its competitors, and that the
22 broader restriction in the model provision may make it difficult for one or both parties to retain
23 experts in the relevant field. To accommodate the competing interests addressed by this provision
24 the Court will adopt a definition of "Expert" that includes a restriction encompassing current and
25 anticipated employees of a party and a party's competitors (as in the model provision), but that
26 does not include a restriction encompassing past employees of a party or a party's competitors.
27 However, nothing in this order or in the protective order precludes a party from objecting on a
28 case-by-case basis to a proposed expert witness whose past employment with a party or a party's
competitor poses an undue risk of misuse of a party's confidential technical information.

29 **F. Use of Protected Material in Other Proceedings**

30 Both parties propose revisions to the Standard Order or the Patent Order that address the
31 use of protected material in other proceedings. PI advocates for an additional sentence that states
32 that protected material may not be used in "other judicial, administrative, or patent proceedings in
33 the United States or South Korea." Mr. Park does not object to this language but suggests that it
34 should be modified to make clear that the parties may agree that protected material may be used in
35 other proceedings if they wish. In addition, he suggests that the Court should permit protected
36 material to be used in other proceedings if the parties so agree.

1 material produced in Case No. 16-cv-02366-BLF to be used in the related case, Case No. 16-cv-
2 02367-BLF, and vice versa. PI does not specifically address Mr. Park's suggestions.

3 The Standard Order and the Patent Order already contain prohibitions on the use of
4 protected material for purposes other than prosecution, defense or attempted settlement of the case
5 at issue. However, as the parties appear to agree that some further elaboration of this point is
6 warranted or at least not objectionable, and as PI has not objected to Mr. Park's suggested
7 qualifications, the Court will adopt Mr. Park's proposed revisions summarized above. The Court
8 will not adopt Mr. Park's additional suggestion that the permitted use of protected material extend
9 to "any litigation arising out of or resulting from this litigation and the above related case."

10 **G. Judicial Intervention**

11 PI proposes revisions to section 6.3 of the Patent Order that would require the party
12 challenging a confidentiality designation to seek judicial intervention. Mr. Park objects to this
13 revision.

14 The proposed revision is moot, as the Court requires disputes regarding discovery matters,
15 including disputes concerning confidentiality designations, to be brought to the Court's attention
16 pursuant to the discovery dispute resolution procedures in the undersigned Standing Order for
17 Civil Cases. Those procedures require a joint submission by the parties.

18 **H. Other Provisions**

19 **1. Designated House Counsel**

20 The Patent Order includes model provisions that permit designated in-house counsel
21 employed by a party to have access to the other party's protected material. PI says these
22 provisions are unnecessary because Mr. Park is an individual and does not have "house counsel."
23 PI does not say whether it has "house counsel." Mr. Park does not specifically address this
24 proposed modification. The Court will adopt PI's proposed modification.

25 **2. Inadvertent Production**

26 PI seeks revisions to section 12 of the Patent Order regarding inadvertent production of
27 privileged documents or information, citing Mr. Park's "litigious nature and history of challenging
28 PI on numerous fronts." Mr. Park objects to the proposed revisions. The Court is not persuaded

1 that any revision to the model provision is warranted. The Court will not adopt PI's proposed
2 modification.

3. Liquidated Damages and Attorneys' Fees

4 PI says that the protective order should include a liquidated damages provision and a
5 provision for the recovery of attorneys' fees in the event a party violates the terms of the
6 protective order. This proposal overreaches. The Court will not adopt PI's proposed provisions.

IT IS SO ORDERED.

8 | Dated: October 11, 2018

Virginia K. DeMarchi
VIRGINIA K. DEMARCHI
United States Magistrate Judge